



## Restaurant Playbook: Finding and Winning New Diners





Eating out is big business. Spending on bars and restaurants has [grown twice as fast](#) as other retail spending in the U.S. over the last decade. In 2015, food and drink sales were worth [\\$745.61 billion](#). In just the spring of 2016, 19 million Americans ate at a full-service restaurant and more than 49 million dined at a quick-service establishment.

By July 2017, Americans were [spending more on eating out than on food at home](#) for the first time in history. But it isn't all good news for restaurants. As spending has increased, so has competition. When consumers have access to information about every establishment at their fingertips and diners can post a bad review in seconds, restaurants have to make sure that every patron has an excellent experience.

In a competitive industry, you have to use marketing strategies that are scalable and get the most out of every dollar you spend to beat the competition — but first you need to understand your target market.

So we surveyed 1,800 U.S. consumers, illuminating trends on how they discover new restaurants, why they decide to try a restaurant, and what convinces them to recommend a restaurant to others. From there, we developed strategies and tactics that capitalize on those behaviors to help you maintain a steady flow of new and repeat diners.



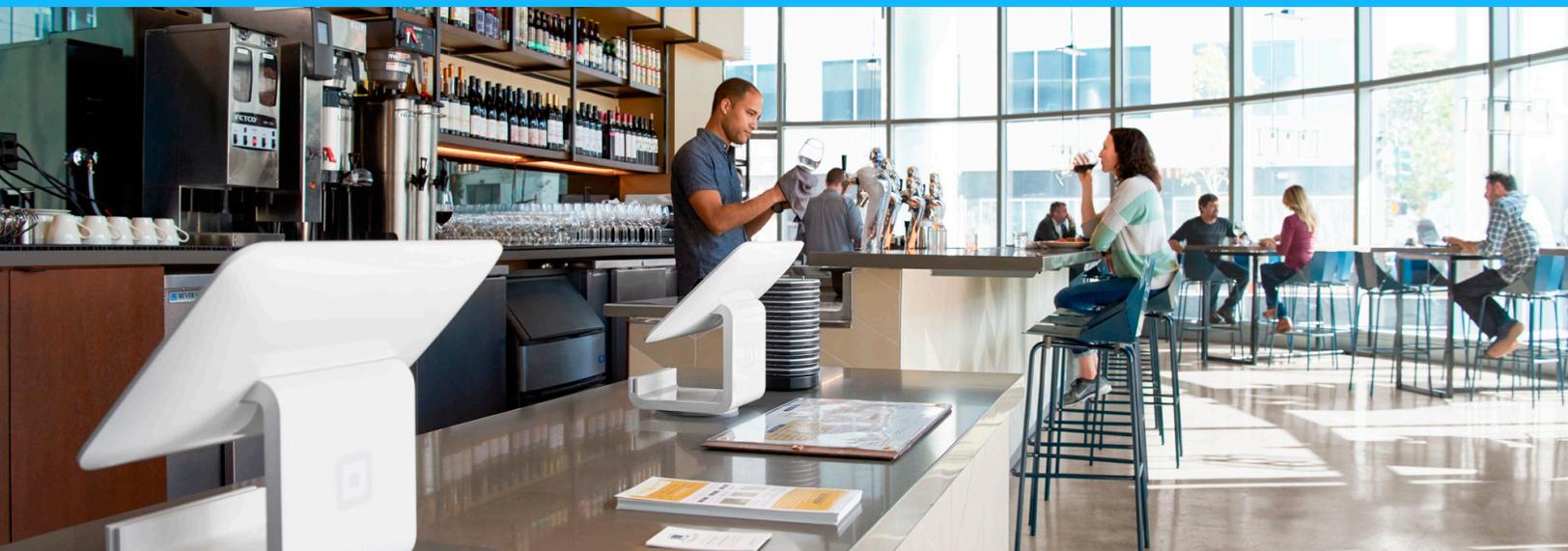
## Here are some of the highlights:

- Fifty-nine percent of consumers said they were most likely to discover a new restaurant through friends and family recommendations.
- Forty-six percent of consumers trust the reviews of other customers over professionals.
- Google Reviews is the favorite source for online reviews.
- Seventy-eight percent of diner said that they are likely to discover a new restaurant on Facebook.
- Not all diners look for organic and locally sourced food when choosing a restaurant, but key demographics put more importance on it.
- Takeout and pickup options are important to 75 percent of diners looking to try a restaurant.
- Consumers don't recommend retailers very often — the biggest group (26 percent) only does so a few times a year.
- Forty-four percent of consumers include a photo when they post on social media about a restaurant.
- The ability to make substitutions is one factor that might make someone write a positive online review. An unclean restaurant would likely make someone write a negative online review.



## Table of Contents

<b>DISCOVERY</b>	5
Key Findings	5
Restaurant's Decision Play	9
<b>DECISION</b>	13
Key Findings	13
Restaurant's Decision Play	18
<b>RECOMMENDATION</b>	21
Key Findings	21
Restaurant's Recommendation Play	25
<b>CONCLUSION</b>	30
<b>METHODOLOGY</b>	31



## DISCOVERY

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**T**o grow your business, you need to be discovered. It's hard to attract new customers if people can't find you, right? So how can you make sure that when someone has decided to eat out — whether alone, with a partner, with family, or as part of a group — that your restaurant is on their list?

Here are our key takeaways from the survey, followed by simple tactics you can implement.

**Recommendations from friends and family are the most popular way of discovering a new restaurant.**

When people are looking for somewhere new to eat, they look to a number of sources for information. The most popular is friends and family (used by 59 percent), followed by online reviews (57 percent) and social media recommendations (31 percent). Ten percent of people rely on popular blogs and 19 percent look at more traditional news articles and features.

As you might expect, there's some variation across the different age groups. Gen Zers and Millennials are more likely to go to social media to look for restaurant reviews or to look at a restaurant's social media channels than people of other ages. Whereas 50 percent of Gen Zers use social media recommendations, only 12 percent of the 53+ group do.

While consumers use a variety of channels to look for restaurants, they do have favorites.

Recommendations from friends and family are the most preferred way of finding a new restaurant



for 45 percent of people, followed by online reviews posted by customers, chosen by 35 percent. Only 1 in 20 people chose the restaurant's social media presence as their preferred method, and even fewer picked professional reviews.

**When you are looking for a new restaurant to try out, which of the following are you most likely to seek out?**



**Customers trust the opinions of other customers.**

It's not just friends and family whom customers trust. Forty-six percent of our respondents said they trust other customers' reviews more than reviews by professionals. Only 12 percent trust expert reviews over the reviews of other customers.

When we asked them how trustworthy they think online customer reviews are, 43 percent said they are very or extremely trustworthy, while the majority — 53 percent — said they are somewhat trustworthy. So, while potential new customers may trust their fellow consumers more than they trust professional reviewers, they don't trust them entirely.

To make a review reliable, 77 percent of respondents said it's very or extremely important that it includes specific details about the products or services someone has purchased. A large group



(46 percent) also said that it's very or extremely important for photos to be included and that the reviewer has visited the business several times. Forty-four percent of respondents discount the outliers (or potentially fake reviews) and said that for them a review mustn't have an overly positive or negative tone to come across as reliable.

## Customers aren't necessarily going straight to review sites for reviews.

If we mention online reviews, you probably think of sites like Yelp or TripAdvisor. But for the biggest group of people (28 percent), Google Reviews is their favorite source of online information. This percentage is even higher among Gen Z — 41 percent said that Google Reviews is their favorite review source.

As Google dominates the search engines — taking a massive **88 percent market share** in the States — its omnipresence may explain people's reliance on Google Reviews. When you search for the “best Italian restaurant” on Google, for example, a number of local restaurants come up at the top of the results page with a star rating next to them assigned by the restaurants' customers.

After Google Reviews, Facebook is the next most popular source of online reviews, with 26 percent of respondents citing it as their favorite, followed by Yelp with 22 percent. Perhaps surprisingly, only eight percent of respondents said TripAdvisor was their favorite, and niche sites Open Table and Zagat were only chosen by two percent and one percent, respectively.

### About how often — if ever — do you look up reviews on a website or app (whether for a shop, a restaurant, or a service provider)?



**8%**

ONCE A DAY OR MORE

**22%**

A FEW TIMES PER WEEK

**14%**

ABOUT ONCE A WEEK

**23%**

A FEW TIMES PER MONTH

**10%**

ABOUT ONCE A MONTH

**11%**

A FEW TIMES A YEAR

**8%**

LESS OFTEN

**5%**

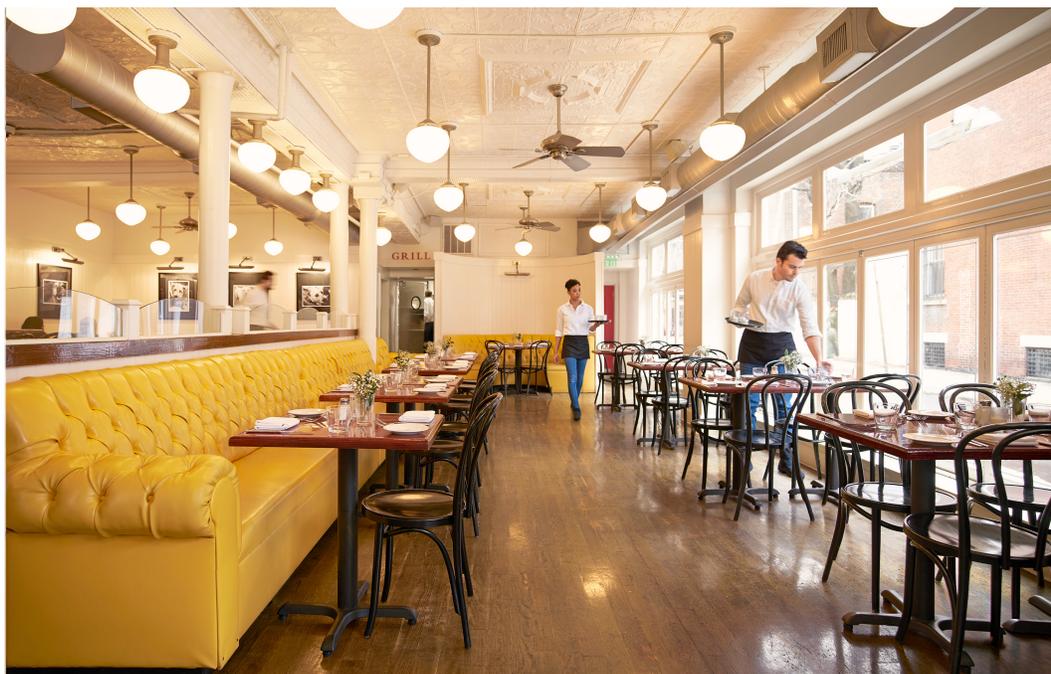
NEVER



## Facebook is the favorite social media platform for finding restaurants.

When we asked respondents which social platform they would use to find a new restaurant, Facebook was the out-and-out winner, chosen by 78 percent. Instagram was a distant second (with 22 percent), and Twitter third (with 14 percent).

Drill down into the data and Facebook is more popular in rural areas than urban or suburban. And while just over half of our youngest group (Gen Z) would go to Facebook to find somewhere new to eat out, it was by far the preferred social media site for every other age group. Ninety-two percent of Millennials, for example, look to Facebook to find new restaurants; only 26 percent cite Instagram as a discovery tool.



## People use social media proactively in discovery.

Not all consumers are just scrolling through social media and coming across retailers. Some are asking their networks for recommendations (Facebook even has a special feature for this now).

Thirty-six percent of respondents have asked for restaurant recommendations via social media. That rises to 40 percent for Gen Zers, 49 percent for Millennials, and 45 percent for Xennials.



## Location, location, location.

As you might expect, most people like to eat out locally and a huge majority (92 percent) said that the proximity of a business to them is important to at least some degree.

Location is less important to the oldest age group than it is to every other generation. Just 16 percent of the 53+ group said it's very important, compared to 25 percent of Gen Zers and 26 percent of Millennials.

An almost equally large majority (90 percent) reported that the proximity of a business they're visiting to other places that they like to visit is important too. Only two percent said that being close to other attractions isn't important to them at all.

We found a slight variation across different areas, with the largest group of urban people (39 percent) saying that being close to other amenities is very important, while the largest groups of the rural dwellers (42 percent) and suburban residents (38 percent) said it's only somewhat important.

## RESTAURANT'S PLAY

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### Strategy: Make sure your restaurant is discoverable (by the right people).

Restaurants need to look at consumers' discovery processes and respond by making their businesses more discoverable. Each channel should be optimized to be easily findable by new customers, but depending on who your ideal customer is, you may choose to spend more time on one than the other.

For example, 50 percent of Gen Z consumers and 37 percent of Millennials look to social media for recommendations. Older age groups don't place nearly as much value on recommendations made via social media. But 35 percent of Millennials are also looking at restaurants' social presence (their profiles, posts, etc.) as part of the discovery process — that's nearly double any other generation.

The tricky part here is that most of these sources include content generated by other people.



You can't control what they write or if they even write at all, but you can engage in tactics that encourage reviews, particularly positive ones.

Here are some tactics to make sure that these channels help (not hurt) your chances of being discovered:

### **Tactic 1: Set up social profiles and keep them updated.**

Social media plays a big part in the discovery process, and while you can't completely control what other people write about your business, you can control your own social media presence. Across all age groups, 60 percent of people said that a restaurant's social media presence was extremely, very, or somewhat important in their decision to try it out (this is even higher among the younger age groups).

You should aim to have an active presence on social networks where your target audience spends time so that they can find you. Facebook is the most popular platform for discovering a new restaurant for both rural and urban dwellers, as well as all household income groups. It's also the most popular site across all age groups, although Gen Z's preferences are more spread out (they use Twitter, Instagram, and Snapchat too).

Part of being active on social media is making sure that your profiles are up to date and full of the helpful information that potential customers look for. Our respondents said they expect to find customer reviews, contact details, and photos, as well as menu and pricing information on a restaurant's social channels. This is very similar to what they want to see on a website.

### **Tactic 2: Invest in PR.**

Whether it's through a popular blog, more traditional publications, or professional reviews, consumers across the board said that they look to editorial sources to discover new restaurants.

Millennials (but also, to a less extent, Gen Z and Xennials) rely on blogs to discover new places more than other age groups. The 53+ age group is more likely than other age groups to go to news articles and features. And 22 percent of all consumers look to professional reviews. (Although the idea of what a professional review is might vary by generation; [Gen Z](#), for instance, sees influencers as experts.)



Ensure you invest some time and energy into publicizing your business. If you're doing PR outreach in-house, make sure you have a solid pitch before you reach out to bloggers or reporters (email is often the most effective way to do this), and that your website and social channels are up to date (writers will look there first). You can also outsource this work through a contractor or an agency that comes with a list of contacts and can help you craft a pitch.

If your target customers are young (Gen Zers or Millennials), you might think about starting an [influencer program](#) to get the word out and to make sure they hear about you through their preferred channels.

### **Tactic 3: Tend to your online reviews.**

Online customer reviews are the second-most used source for discovering new restaurants, so your business needs to be proactive in seeking and getting reviews.

The first step is to claim your business pages on [Google](#) and [Yelp](#) and set up a Facebook page. Then add useful information to them: pricing info, your opening hours, and a link to your website. (Fifty-four percent of consumers almost always or often click website links included in review pages.)

You should also make sure that your review pages are full of images. Most consumers (69 percent) want to see pictures of your products or services, while a smaller group (19 percent) wants to see photos of your brick-and-mortar space.

Once you have your pages set up, make sure you're monitoring them. Forty percent of consumers read the most recent reviews first, so make sure that the first review makes a good impression. Try to get into the habit of responding to reviews (good or bad) so it shows that you're engaged with your customers.

Interestingly, one in five consumers goes straight to the negative reviews, so you may want to prioritize responding to any less-than-great feedback to show that you're listening to what diners say and acknowledging any criticism. Remember, the customer that left that review isn't lost yet — responding to the negative feedback is your opportunity to save the relationship. So respond quickly, offer an apology, and let them know you appreciate the feedback. (If the review is particularly bad, you might reach out privately and offer a discount or refund.)



#### **Tactic 4: Make sure your restaurant comes up in local searches and reviews.**

You may not be able to pick up your restaurant and move it, but knowing that location is important to potential customers means that you should make sure you come up in local searches and online reviews (especially since 27 percent of people think positive online reviews are the most important reason to try a restaurant, second only to friend and family recommendations).

Doing a bit of local search engine optimization (SEO) will make sure you come up in online searches, and it doesn't need to be complicated or involve spending thousands of dollars on an SEO agency. One easy way to start is to make sure you mention where your restaurant is on your website, as well as in your titles and meta tags (a simple plugin like [Yoast](#) can help you with this).

We've already mentioned the importance of Google Reviews. So if you haven't already done so, make sure to claim your restaurant on Google My Business, which acts like a huge directory. There are lots of other directories and online listings you should sign up with too, like Yelp, Bing, Foursquare, and local.com.

And finally, encourage your happy customers to leave glowing reviews on online sites. We'll talk about this in more detail below.



## DECISION

All the exposure in the world won't help you grow your business unless the prospective diners who discover your restaurant decide to try it. Once diners have found your restaurant on your social media channels, read your online reviews, and visited your website, or heard about you through a personal recommendation, how can you make sure that they decide to visit?

Here are some of our key learnings about how people decide to visit a restaurant for the first time:

### Diners want to be able to pay by credit card.

Fifty-two percent of diners said that it's very or extremely important that a restaurant they are going to try accepts credit cards. And one in five people say that being able to pay with a credit card is the most important factor when they're considering any new business.

It's not just that accepting credit cards is important — it really could be the difference between them trying your restaurant or a competitor. Thirty-five percent of people said that if a business they were thinking of visiting didn't accept credit cards they would look for somewhere else to go.

But more than the loss of a single customer's business, it could also damage your business's reputation. When asked why a business wouldn't accept credit cards, 43 percent of consumers said that it's because they don't want to pay the fee to the credit card company, while 17 percent think it's because the business can't afford to pay the fees.



But with younger people (particularly Millennials), there's a perception that businesses that don't accept credit cards are old-fashioned. Since consumers rely so heavily on the recommendations of others to find new retailers, you don't want the idea that your business is old-fashioned to spread.

### How important is it to you that restaurants accept credit cards?



**39%** EXTREMELY IMPORTANT

**30%** VERY IMPORTANT

**20%** SOMEWHAT IMPORTANT

**7%** NOT TOO IMPORTANT

**4%** NOT AT ALL IMPORTANT

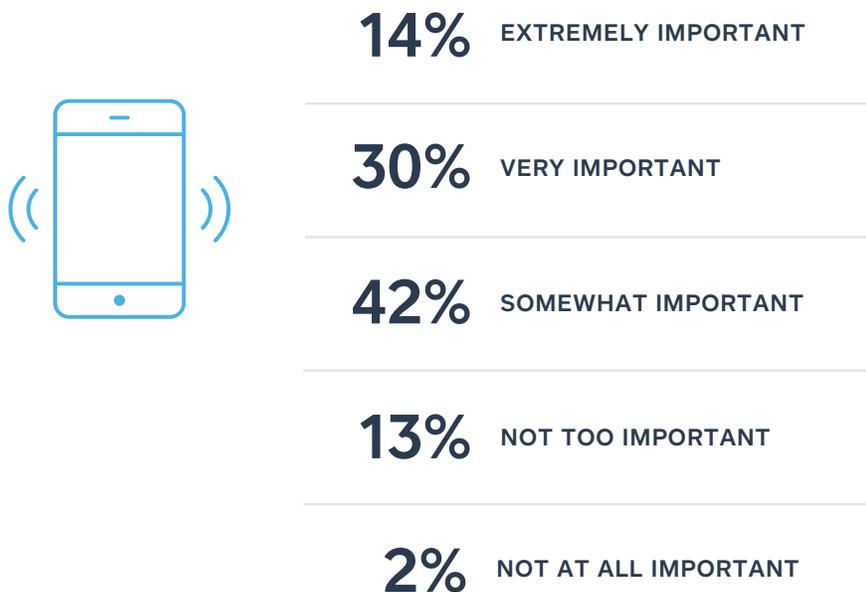




## Having a quality website is important.

There are more than **1.24 billion websites worldwide**, so it's perhaps no surprise that 85 percent of consumers think that a quality website is somewhat, very, or extremely important for a business. That number goes up to 91 percent for Gen Z and Millennials who see a quality website as more important than any other age group.

### More generally when you visit a business's website how important is the website in your decision whether or not to try that place?



So, what constitutes a quality website? The responses were similar to those for online reviews. To 66 percent of respondents, pricing information is important. Fifty-five percent of people like to be able to view the menu and 37 percent want to see pictures of the products or services. It's also important to 36 percent of consumers that the website is current and shows that the restaurant hasn't gone out of business or moved premises.

Not only do diners want to be able to find your restaurant online, they want to be able to make a reservation on your website (online reservations are important to 68 percent of respondents). This becomes less of a priority as people's incomes increase and as they get older. For 28 percent of the 53+ group, being able to make an online reservation is not important at all, yet only eight percent of Gen Zers said the same.



## Generally speaking what things do you most value in a business's website?



**27%** EASE OF USE

**18%** PICTURES OF THE LOCATION

**36%** WEBSITE IS CURRENT/UP TO DATE

**37%** PICTURES OF FOOD, PRODUCTS OR STAFF

**66%** PRICING INFORMATION

**27%** CONTACT INFORMATION

**59%** MENU OF SERVICES OR OFFERINGS

**1%** SOMETHING ELSE

## Organic and locally sourced food are not key to choosing a restaurant.

When we asked respondents whether organic and locally sourced food are important to them, 26 percent of people said it's extremely or very important, 26 percent said it's not too important, and 15 percent said it's not important at all.

The data showed some variation on this, with it being extremely or very important to 35 percent of urban residents, and also to 42 percent of households in the highest income group. Conversely, it becomes less important as people get older. Fourteen percent of Gen Zers think it's extremely important, and this goes down as age goes up, with just three percent of the 53+ age group saying the same thing.

Offering menu options for various dietary restrictions (such as gluten-free, dairy-free, or vegetarian) is important for nearly a third of diners. Thirty-one percent of people classified it as extremely or very important, 24 percent think it's not too important, and 19 percent considers it not at all important.

People who live in urban and rural areas place more importance on this than those in the suburbs. And it's particularly important for households earning over \$150,000 (with 26 percent saying it's extremely important) as well as those in the youngest group (23 percent reported it as extremely important to them). Again, it becomes less important among older age groups and to 33 percent of the 53+ group it's not at all important.



## Diners like different food service options.

Visiting a restaurant that offers takeout or pickup is important to a large proportion of diners — 38 percent said it's very or extremely important and 37 percent said that it's somewhat important. The figures were slightly higher for urban areas, followed by rural (it's least important to suburban diners).

Interestingly, delivery is slightly less important than takeout and pickup, with 32 percent of respondents saying it's somewhat important and 26 percent saying it's very or extremely important to them.

## Thinking about the factors that influence whether or not you will try a restaurant, which of the following would you say is most important?



7%

OFFERS TAKEOUT  
AND PICKUP



29%

RECOMMENDATIONS FROM  
FRIENDS OR FAMILY



7%

CAN DELIVER  
FOOD TO YOU



27%

POSITIVE ONLINE  
REVIEWS



13%

THE STORE ACCEPTS  
CREDIT CARD



10%

MENU OPTIONS FOR  
VARIOUS DIETARY  
RESTRICTIONS



5%

SERVES ORGANIC  
OR LOCALLY-  
SOURCED FOOD



3%

ACCEPTS ONLINE  
RESERVATIONS



## Mandatory tips for group bookings are OK, but minimum spends aren't popular.

Of our respondents, 46 percent have booked a meal for a group of six or more at least once in the last year. When we asked diners whether a mandatory tip (say, of 18 or 20 percent) for a group would make them more or less likely to visit a restaurant, 29 percent said it would make them more likely to visit. For 53 percent it wouldn't affect their choice and the remaining 18 percent said it would make them less likely to visit.

The majority of suburban (61 percent) and rural (59 percent) diners said a mandatory tip would have no affect on their decision to try someplace, but only 39 percent of urban residents agreed. For 40 percent of people in urban areas, it would actually make them more likely to visit a restaurant.

Staying with group bookings of six or more, we asked what the effect of a restaurant imposing a minimum spend would be. Thirty percent of respondents said it would have no effect, 25 percent would be more likely to visit the restaurant, and 46 percent would be less likely to go. We also saw a gender gap on this, with 32 percent of men saying it would make them more likely to visit someplace, while only 25 percent of women would be likely to go.

Household members in the highest income bracket and those over age 53 felt the strongest about minimum spends, with 63 and 72 percent, respectively, of those groups reporting that it would make them less likely to visit a restaurant.

## RESTAURANT'S PLAY

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### Strategy: Encourage consumers to try your restaurant.

The second step on the route to turning new customers into loyal diners who come back time and again is to get them to make that all-important first visit. There are a plethora of places to eat out, and until customers have been to your restaurant, how do they know it's worth visiting?

You not only have to show them that you offer excellent food, drinks, and service, but also that you can cater to their other needs. In marketing we talk about overcoming customers' objections, and that's what you should aim to do. Then you need to communicate those offerings.



Below are some easy-to-execute tactics to encourage people to try your restaurant:

### **Tactic 1: Make sure your technology is up-to-date.**

You may lose out on business if you don't accept credit cards. So you want to make sure that you have a POS and payment processing system that is integrated to easily take credit cards. (And remember, you need to accept chip cards — [84 percent of cards](#) processed through Square have a chip.)

While most people use cash, credit, or debit, more and more people are starting to use mobile payments as well. Our study found that 26 percent of consumers have used mobile payments, but that number increases with younger generations (Xennials, Millennials, and Gen Zers).

Mobile payments are the fastest, most convenient, and most secure way to pay. And a [previous study](#) we did on payment methods found that people who do use them, love them. They are often cited as the ideal payment method.

### **Tactic 2: Have a quality website.**

A large majority of people think a quality website is vital, so it's a must-have to attract new diners. It's your virtual shop window and a brilliant way of showing off what you do, how you're better than the competition, and ticking all your customers' boxes (now you know exactly what they want).

When deciding whether or not to visit a business, a website is very important for 26 percent of the highest-earning group in our survey — at least twice as much as for any other income bracket. It's important to know who your target market is and tailor your strategies accordingly. If you cater to the more high-end diner, your website is crucial.

More than a third of people (36 percent) think it's important that your website is current, so make sure it's up to date by regularly adding news, seasonal offerings, new menus, or blog posts. A website that includes attractive photos, your menu, and prices, along with your address, contact details, and ideally the ability to make online reservations, is an important factor in getting people to come in and try your offering.



### **Tactic 3: Be flexible with your service options.**

Over a quarter of people said that organic and locally sourced food are an important factor for them, so make sure that you take this into account when you're designing your menu. It's of greater significance for younger and wealthier diners, so look at who your target market is and whether it's important to them. If you do go down the organic/local food route, make sure you tell people about it on your website, menu, and social channels — turn it into a point of difference.

Catering to diners who have different dietary requirements is vital, too, and this is an easy way to encourage new customers to try out your restaurant. Whether it's a high priority or not depends on who your ideal customer is. If your diners are young, urban, and wealthy, make sure you can accommodate any special requirements they may have.

If you can, offer takeout/pickup and delivery — that sort of flexibility is really attractive to diners who may have different preferences at different times. If you don't have the resources to build your own online ordering platform or to hire delivery people, a service like Caviar can do it for you. [Caviar](#) provides a platform for customers to order online from your restaurant and a fleet of couriers to deliver their orders.

A lot of people dine out regularly as part of a group, so make sure you can accommodate larger bookings as well. We've seen that mandatory tips are appealing to diners, perhaps because it makes the job of splitting the bill at the end of the meal easier, yet a minimum spend won't go down well. So adapt your services to suit your target market.



## RECOMMENDATION

**G**lowing online reviews and recommendations from friends and family are the two most important factors for people when they're deciding whether to try a restaurant for the first time. We know that consumers trust each other, so how do you use your new customer to get more?

Here are some of our our key findings:

### Customers don't recommend restaurants very often.

While customers are very reliant on recommendations from friends and family and online consumer reviews, most of them don't recommend restaurants very often. When we asked consumers how often they recommend restaurants, the largest group (26 percent) recommend restaurants a few times a year. Fourteen percent recommends them once a month and 20 percent recommends them few times a month.

The remaining diners recommend them much more often than that (once a week, more than once a week, or once or more a day). But the frequency increases for younger generations, with 36 percent of Gen Xers and 27 percent of Millennials recommending restaurants more than a few times a month.

We also found out that there are three ways consumers recommend restaurants: in person (80 percent), on social media (25 percent), or via online review sites or apps (18 percent). What's



notable here is that most people look to online reviews to discover a restaurant, but very few are contributing to the review sites themselves.

## Social recommendations are about more than words.

When consumers take to social media to share recommendations, they often use more than just words — they use photos, too. Across all age groups, 44 percent of respondents said that they almost always or often include a photo with their review. Only six percent of people never do. Xennials are the keenest photographers and by far the most likely to include a pic with their reviews — over half (59 percent) said that they always or often include a photo.

What inspires someone to post a picture of a restaurant on social media? Sixty-six percent said food plating inspired them to post a photo.

### What would inspire you to post a picture of a restaurant on social media?



FOOD PLATING

**66%**

RESTAURANT'S EXTERIOR

**43%**

INTERESTING ART OR DECOR

**41%**

A FEATURE THAT IDENTIFIES  
WHERE THEY ARE

**37%**

Gen Xers are most into food plating and 82 percent would post a pic of it, as would 91 percent of the 53+ group. Yet the 53+ group are least likely to share an identifying photo of where they are (27 percent) and Gen Zers are most likely to show off where they're eating (44 percent).

## Repeat diners write online reviews.

People who write reviews are more likely to be repeat customers. Fifty-one percent of diners



would want to visit a restaurant two to three times before writing a review. Still there is a group (31 percent) that said they would review it after their first visit, with Millennials and Xennials most likely to share their experience after their first visit (40 and 43 percent, respectively).

### Staff, food, and appearance motivate people to write reviews.

Positive online reviews are very important for your business. In fact, only eight percent of consumers surveyed don't put any importance on positive online reviews. But here's the thing about reviews — they aren't always good. Of course you can't totally avoid bad reviews, but you can create an environment that fosters positive feedback.

When we asked diners the top three factors that would make them write a negative review, they were all pretty basic: the food was bad, the restaurant was dirty, and the server was rude.

### Which of the following might make you especially likely to write a negative review?



9%	TROUBLE CHECKING OUT	13%	MESSY INVENTORY
12%	RESTRICTIVE RETURN POLICIES	12%	PRODUCTS WERE OUT OF STOCK OR UNAVAILABLE
9%	LIMITED SIZE QUANTITIES	44%	PRODUCTS WERE POOR IN QUALITY
3%	IT WAS TOO LOUD	61%	STAFF WAS RUDE OR INATTENTIVE
14%	THERE WERE STRONG SMELLS	47%	STORE WAS DIRTY OR UNINVITING
1%	SOME OTHER REASON	10%	STAFF WAS INTRUSIVE OR TOO ATTENTIVE
11%	LONG CHECK-OUT LINES	20%	COULDN'T FIND SOMEONE TO HELP ME



And what would make them write a good review? Besides good food, the top three responses were: friendly staff, the staff's ability to make menu substitutions or offer suggestions, and servers that offer real opinions when asked.

### Which of the following might make you especially likely to write a positive review?



**74%** STAFF IS FRIENDLY AND ATTENTIVE

**24%** FREE BITE, DRINK, SWEET

**43%** WILLING TO MAKE MENU SUBSTITUTIONS AND OFFER SUGGESTIONS

**21%** CHEF OR MANAGER CHECKS IN

**33%** SERVERS OFFER REAL OPINIONS WHEN ASKED

**15%** PERSONAL TOUCH POINT THAT IS OFFERED—LIKE A BIRTHDAY CARD

**26%** STAFF ASKS ABOUT PERSONAL NEEDS/PREFERENCES

**5%** SOMETHING ELSE

**24%** SPECIAL MENU ITEMS

### Customers are big fans of discounts and deal sites.

Nearly half of our respondents (48 percent) have used a daily deal site like Groupon or LivingSocial, and over two-thirds of them (67 percent) said that they go back to places they visited using one of those sites extremely, very, or somewhat often.

Almost a third of people (32 percent) used these sorts of vouchers to visit a regular place, so while it's more often used by people to try somewhere new (35 percent), they're also a great way to encourage loyalty.

Offering a special deal has a long-lasting effect. Seventy-eight percent of people said that deals have a positive effect on the business that is offering them, 20 percent said they have a neutral effect, and only two percent (just 1 in 50 people) think they have a somewhat negative effect.



## RESTAURANT'S PLAY

**Strategy:** Turn new customers into brand advocates.

Once someone has visited your restaurant, you have the perfect opportunity to turn that person into a repeat customer who markets your business for you — which has two great advantages for your business.

First, you'll spend much less money maintaining the relationship with a current client than you would trying to acquire a new one. Customer acquisition is anywhere from 5 to 25 times more expensive than customer retention, [depending on the source](#) you read. That is, unless you use your loyal customers as an acquisition channel.



That brings us to the second reason. If most customers rely on friends and family for recommendations, then every new diner has the potential to bring in more new clients. By harnessing the power of your loyal customers, you can create a cost-effective, scalable acquisition program.

So once you get that customer in the door, you need to put tactics in place that encourage repeat business, and then brand advocacy.



## **Tactic 1: Make customer experience a priority.**

Customers put more emphasis on the quality of a restaurant's food than any other part of the dining experience. Case in point, 19 percent of respondents said it's extremely or very likely they would still recommend a restaurant with amazing food, but terrible service.

With that said, we know that it's the experience — the attentiveness of the server, the cleanliness of the restaurant, etc. — that influences most people to write reviews, whether they're positive or negative. (And whether or not they do business with you more than once may depend on this also.)

The good news? To ensure that you aren't getting negative reviews, you really need to invest in the basics — a clean and orderly dining space with helpful and friendly staff. The bad news? It's very easy to be lax with the basics.

To ensure your retail experience doesn't rub anyone the wrong way, you want to prioritize a few things:

### **Hire the right staff.**

A good customer experience starts with the people who create it: your employees. Begin by developing a clear description of each of the roles you are hiring for. If you're clear with your expectations, you're more likely to get applicants who can meet them.

If you already have staff that you think does a great job, ask them to refer like-minded people to new roles. Or better yet, let your favorite customers know that you're hiring.

Once you have some candidates in place, make sure you're rigorous in the interview process. Don't just wing it; have a [list of questions](#) ready to go that really get to what the candidate would be like to work with.

### **Provide consistent training.**

Once you've hired the right people, you need to set them up for success — and that means comprehensive training.

Timing is important when it comes to creating a good experience, and taking too long to serve or present the bill, rushing people, and serving orders at different times can be motivation for customers to write a negative review. Customers don't like it if you get the order or the bill wrong either, and they want to be able to get a drink mid-service as well.



You can overcome all of these issues by training staff on how you expect them to interact with diners and the processes that will keep service running smoothly. This includes comprehensive training (for all of your employees) on your [point-of-sale](#) as well as any other software that you use in your restaurant.

### **Pay attention to your space.**

Diners are more prone to write negative reviews if the space is displeasing. Diners don't like to be cramped and they don't like a space that is too loud to hold a conversation.

To make sure that your restaurant doesn't overshadow your delicious food, take a step back. Review your floor plan to make sure that there is plenty of space to eat and to wait for a table. Better yet, approach it as a diner and see how comfortable the experience is for you.

Also make sure the volume is controlled. Music can be a great way to set the mood, and [even to drive sales](#), but you want to make sure that it doesn't interfere too much. You can always lower the volume by using fabrics and materials in your interior design, and creating separate areas for smaller, quieter zones.

Once you have the basics in place, you can focus on creating an experience that wows. Customers (particularly urban and suburban ones) like when a restaurant has special menu items. Similarly, they like it when a restaurant offers a free bite or something else on the house. Other touches that impress customers: meeting the chef or manager and the restaurant providing some kind of personal touch — like a birthday card — during the meal.

### **Tactic 2: Reward customer loyalty.**

A loyalty program is a wonderful way of saying thank you and encouraging customers to keep coming back. And, as we know, most people need to visit a restaurant a few times before they'll write a review, so customer loyalty helps you attain more reviews. It can also help your restaurant's profitability. We found that participants enrolled in a [Square Loyalty](#) program spend 33 percent more (on average) after they join than before.

Choose how you want to run your program and make sure you give it some thought before you launch it in order to maximize your chances of success. You could do it manually, with stamps, punch cards, or points, or run a digital program that integrates with your POS.



One benefit of a digital program is that it will gather data and give you insight into your consumers' behaviors to help you make informed decisions about where to allocate more time and effort. You can also use it to collect email addresses, build your list, and nurture relationships with your customers through regular email.

Also consider what kind of rewards you'll offer to ensure they're of value, and work out how the rewards will be earned. Will your customers have to spend a certain amount per visit or dine out a certain number of times? It can be a great way of increasing customers' spend and the frequency of their visits, which can massively [add to your profits](#).

Once you've set your program up, make sure you promote it on all your communication channels to maximize take-up. Using a digital program is really easy to employ, as you simply make sure your staff mentions it to every customer as part of the payment process.

### **Tactic 3: Inspire sharing.**

If consumers are also looking to social media to discover new restaurants, then you want to make sure your customers are posting about your business. You can do this through a campaign that asks people to share your business or by creating an experience that is shared organically.

#### **Create a social campaign for endorsements.**

With this approach you aren't asking consumers to write a direct endorsement of your business via social media, instead, you're asking them to generate content that is related to your business or brand. When they share that content, they are tacitly endorsing your brand and helping you reach new groups of prospective customers.

You've probably seen this type of user-generated content (UGC) campaign all over social media. You may have even participated in one. If you're going to run this type of campaign, here are some things to think about:

- **Audience:** Who do you want to create content for your campaign? If you want your current customers to create content for you, you want to make sure that you reach out to them through email or another channel and let them know about your campaign. If you want to expand your reach with [social influencers](#), you should set aside some additional budget.



- **Content:** What do you want people to post about? You could run a campaign that asks people to post photos they've taken of your food or at your restaurant? Or you could run a campaign that asks people to post about things that are less related to your restaurant — like their resolution for the New Year or their most creative Valentine's Day gift.
- **Rewards:** Are you offering something for people who post? You could run a contest and offer [gift cards](#) to people with the best posts. That's not to say that you have to offer something in return or that it has to be monetary. Sometimes just reposting the consumer's content is enough of a reward.
- **Hashtags:** How are you tagging all of this UGC? A hashtag allows you to find all of the UGC posted on various social networks. Think carefully about your hashtag. Make it short and easy to remember.

### **Encourage organic sharing.**

There are other ways to encourage people to share your brand other than through campaigns. You can create experiences that inspire them to do so on their own.

Great food, plated well is the best way to do this — so make plating a priority (Some culinary schools are even teaching [plating for social media](#) now). But special events and stellar customer service are also ways to inspire sharing.

And then there's your space itself. Interesting art, decor, and head-turning displays and features that easily identify your business are all things that can be photographed and posted to social platforms to let people know where they are. This is an important thing to think about if you cater to a younger demographic that tends to spend time on platforms like Instagram and Snapchat.



## CONCLUSION

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Diners eat out four to five times a week on average and, in July 2017, for the first time in history, Americans started spending more on eating out than eating in. To ensure you build a thriving restaurant business, you need a steady stream of new customers and loyal fans. But first, you need people who are looking for somewhere to eat out and are able to find you.

Recommendations from friends and family are the most relied-on source for finding a new restaurant, followed closely by online reviews, with social media coming in third. So it's really important to have an online presence with up-to-date, engaging social media profiles and content. Once they've found you, encourage people to come and try your restaurant by making sure you have a quality website, your technology is up to date so you can accept all kinds of payments, and that you're flexible to diners' requirements around diet and delivery and pickup.

What turns a new customer into a devoted diner is great food, great service, and a great-looking restaurant. So get those right and you've laid the foundation for your future success. Regular customers will not only boost your business with their patronage but also become brand advocates who are most likely to write reviews and attract more new customers.

But before you spend a dollar on any marketing activity, make sure that what you do is right for your target audience in order to maximize your return. Consider who your ideal customers are, how they discover new restaurants, how they decide to try somewhere new, and what makes them rave about a restaurant via recommendations. Then devise and implement scalable strategies that can turn your customers into loyal fans who will help you grow your restaurant business.



## METHODOLOGY

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The survey, conducted by Square in partnership with the research firm Qualtrics, reached 1,800 online respondents across the United States with the goal of understanding how consumers both discover and recommend businesses, with particular emphasis on restaurant, retail, and salon businesses.

Participants were all U.S. residents, over 13 years of age, and not working in market research. The key metrics evaluated were financial product usage, mobile device compatibility, technology usage and experience, and psychographics.

When reviewing responses, consumers were grouped by age groups defined as:

Generation Z, ages 13 to 20

Millennial, ages 21 to 33

Xennial, ages 34 to 40

Generation X, ages 41 to 53

Baby Boomers and Silent Generation, ages 53 and above



### About Square

Square creates tools that help sellers of all sizes start, run, and grow their businesses. Square's point-of-sale service offers tools for every part of running a business, from accepting credit cards and tracking inventory, to real-time analytics and invoicing.

Square powers business of every size by offering custom processing rates, advance repointing, world-class data security, and paner integrations and APIs.

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